

The GOP Tax Scam Is A Bad Deal for Americans

Nearly six-months after the GOP tax scam was enacted, Americans are seeing the negative impacts of the law:

WORKING FAMILIES

The tax law is overwhelmingly benefitting wealthy investors and large corporations, while working families are seeing higher health care costs and losing coverage as a result of the law.

“ObamaCare premiums are expected to rise an average of 15 percent next year, an increase largely due to the GOP’s repeal of the law’s individual mandate, according to a Congressional Budget Office (CBO) analysis released Wednesday. The CBO estimates that gutting the requirement that Americans have health insurance or face a tax penalty will contribute to about **a 10 percent rise in premiums for 2019**, with insurers expected to see healthier people dropping out of the marketplaces, leaving sicker enrollees on the plans.” [The Hill, [5/23/18](#)]

SENIORS

The Republican tax law has reduced revenues that support the Medicare Hospital Insurance Trust Fund, and its repeal of the individual mandate will leave more Americans uninsured, increasing uncompensated care costs. As a direct result, Medicare is now projected to become insolvent in just eight years, three years earlier than previously projected.

“Yesterday, we learned what happens when Republicans trying to rein in government tackle the tax side of the equation but not the spending side.... The result: **a Medicare program that is projected to run out of money just eight years from now, in 2026...** That tax measure’s income tax cuts — combined with reduced payroll tax collections because of lowered wages last year — are the **two main reasons** for the worsening financial outlook for the part of Medicare that reimburses hospitals for caring for seniors and the disabled.” [Washington Post, [6/6/18](#)]

SMALL BUSINESS OWNERS

While large corporations are using their tax windfall to enrich shareholders, small businesses that cannot afford tax lawyers are facing a great deal of uncertainty about how the law will affect them.

“Five months after massive federal tax changes became law, **many small business owners still don’t know whether they’ll be winners or losers...** Big corporations already know their tax rates are falling, and all businesses can get bigger deductions for equipment purchases. **But small business owners and tax advisers are still waiting for the IRS to write regulations and guidelines explaining and enforcing many parts of the law that is itself more than 500 pages long...**” [AP, [5/23/18](#)]

CHARITABLE ORGANIZATIONS

The GOP tax law is also resulting in less charitable giving, putting at risk the work of charities that provide critical assistance to low-income Americans.

Mike Geiger, CEO of the Association of Fundraising Professionals: “This situation simply isn't financially sustainable for the 1.5 million organizations that make up the charitable sector... Donors who give \$50 - \$250 annually are the mainstay of many charities that don't have major gift programs. The slow, long-term drop in the number of these donors is jeopardizing the work and impact of many charities.” [CBS, [6/5/18](#)]

Steve Taylor, Senior Vice President and Counsel for Public Policy at United Way Worldwide: “It's not going to be easy because there are some trends working against us such as the long, steady decrease in the number of middle-class individuals giving to charities.” [CBS, [6/5/18](#)]

FAMILY-OWNED BUSINESSES

In addition, the law is leaving America's family-owned businesses behind due to confusing language.

“...Treasury and the IRS are far from through in hearing from interested inside and outside parties about tax rules and guidance. Case in point: A bipartisan group of more than [five dozen lawmakers](#) wrote this week to the department and the tax collector with concerns that family-owned businesses organized as multiple companies, a not uncommon occurrence, might not get the full 20 percent deduction for pass-throughs that will be available to businesses that are a single entity.” [Politico, [6/7/18](#)]

RETAILERS

After jamming the tax law through the Congress – without holding a single hearing or hearing from a single witness about the impact of the law – Republicans included an error that hurts retailers.

“The business community is increasingly heaping the pressure on congressional tax writers to fix some of the unintended consequences from last year's tax law, H.R. 1 (115)... Retailers and other business groups have been pressing for fixes to both the “retail glitch,” which forces companies to write off internal building improvements over as long as a 39-year period, and on a separate issue with net operating losses.” [Politico, [6/7/18](#)]

VICTIMS OF HARASSMENT

In addition to the “retailer glitch,” the bill includes an error affecting victims of sexual harassment in the workplace:

“A misplaced word by Republican tax writers may mean that victims of accused sexual predators like Hollywood producer Harvey Weinstein also lose the ability to deduct their legal expenses... ‘I do think it will change how cases are litigated and settled,’ said Elisa Lintemuth, [an employment lawyer at Dykema Gossett in Grand Rapids, Michigan].” [Bloomberg, [6/5/18](#)]